Establishment of Final Indirect Cost Rates

What Determines Who Finalizes The Rates?

by Contracting Officer Negotiation

References: FAR 42.705-1 Contracting Officer Determination Procedure; DCAA Contract Audit Manual 6-709

- Business units of a multidivisional corporation under the cognizance of a Corporate Administrative Contracting Officer (CACO)
- Business units not under the cognizance of a CACO, but having a Resident Administrative Contracting Officer
- Educational institutions
- State and local governments
- Nonprofit organizations other than educational and state and local governments
- ACO and DCAA joint decision

DCAA-Determined Overhead Rates

References: FAR 42.705-2 Auditor Determination Procedure; DCAA Contract Audit Manual 6-708

- Business units not under the cognizance of a CACO
- When Contracting Officer and DCAA agree that rates can be settled with little difficulty AND one of the following circumstances apply to the business unit:
  - Primarily fixed price contracts
  - Administrative cost of contracting officer determination would exceed the expected benefits
  - No history of disputes and few cost problems
  - Contracting officer and auditor agree that special circumstances